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MULTICULTURAL LEADERSHIP STRATEGIES

Case: Company X, Poland

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ABSTRACT

This thesis aims at studying multicultural leadership strategies which are used by the team leaders in Company X, Poland. Furthermore, this thesis examines how these strategies are implemented in daily management to prevent cultural conflicts.

The study used deductive approach with the assistance of qualitative research method. Secondary data was collected from reliable books, articles and Internet while primary data was collected through observations and interviews.

The literature framework of this thesis is based on Mäkilouko (2003)'s multicultural strategies. They are designed in perspective of small group behavior and leadership. Thus, this thesis addresses solely the multicultural strategy in a small group or team rather than corporation or human resource management. Additionally, the thesis also introduces multicultural competences which are considered to be important in diversity management.

It is concluded that there are two kinds of strategy used in Company X: Cultural Ethnocentrism and Cultural Synergy. Based on the findings, recommendations are provided with the purpose of improving multicultural performance in the company.

Key words: Leadership strategy, multicultural, diversity, multicultural competences, workplace

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ABBREVIATIONS

WTO	World Trade Organization
OECD	Organization for Economic Co-operation and Development
EU	European Union
APEC	Asia-Pacific Economic Cooperation
MNCs	Multinational Corporations
CQ	Cultural Intelligence

1 INTRODUCTION

1.1 Background

Today the world is getting smaller, allowing people to move from one place to another for economic, political or social reasons. The appearance of many international organizations such as WTO, OECD, EU, APEC, and so forth, has changed the way that corporations operate their businesses. They tend to go beyond borders and diversify their workforce by different cultural, ethnic, national, and religious backgrounds. Multiculturalism is therefore irreversibly becoming the norm in a large number of organizational situations (Rijamampianina 1995, 120). If managed well, diversity is a key factor of creative, innovative and productive working environment. However, when ignored or mismanaged, it brings obstacles that hold back the organization's ability to succeed (Gardenswartz et al. 2009, 36). The significant changes of demographic patterns within workforce, as the result, require leaders to have strategies or approaches in managing organizational forces (Rijamampianina 1995, 119). If the world is moving towards greater complexity, interconnections and corporation interrelationships, the new global leader will apparently need to play a role in order to drive the success of organizations and their stakeholders (Steers et al. 2010, 3).

In that scenario, Poland is not excluded in facing the challenges of changing in its demographic patterns. After the collapse of Communism in 1989, the country has experienced the remarkable fortune reversal (Orenstein 2014). The Polish economy has grown at a considerably speed for two decades-more than four percent per year, which is considered as the fastest speed in Europe (Orenstein 2014). Along with the significant growth of economy and a rise in the number of foreign investments, the demand for foreign labors in Poland is forecasted to continue growing in coming years. Additionally, analyzes indicate that from 2009 to 2020 there will be a transformation in the occupational structure of foreign workers in Poland. The proportion of low-skilled construction workers and those employed in agriculture will fall. Meanwhile, the percentage of office workers and education professionals will increase (Szytko-Skoczny et al. 2014, 17). This brings both opportunities and challenges to Multinational Corporations (MNCs) in

this country. Without seriously taking multiculturalism into consideration, Polish managers in MNCs are likely to face the failure of managing high-skilled foreign employees. In effect, stagnation in performance caused by misunderstandings between parties is likely to happen.

The thesis topic came up to the author when she was performing her six-month practical training at Company X in Poland. Company X is an extremely diverse working environment with more than twenty different nationalities. Obviously, cultural mix brings to the company the profitability, innovation and development. It is even more beneficial for the company when multiculturalism tends to increase every year. This, however, goes along with many challenges most of which derive from confusions or miscommunications within multicultural teams. Thus, cultural diversity should be seriously considered by team leaders in management to avoid misunderstanding and following poor performance. Furthermore, compared to other countries such as Germany, France and the United Kingdom, Poland is still not among countries particularly attractive to high-educated labor immigrants (Szytko-Skoczny et al. 2014, 5). The discussion highlighted for the team leaders in Company X is the challenge of how to retain skillful foreign employees and how to make them feel as part of the community. Therefore, a vision for long-term multicultural development seems to be an essence for every team leader in the company. It is so-called multicultural leadership strategy.

1.2 Thesis Objectives, Research Questions and Limitations

The main purpose of this thesis is to understand the strategies used by Company X's team leaders in managing multicultural teams.

Thus, the research question is: ***What multicultural leadership strategies are used to manage international teams in Company X?***

In order to answer the question of strategy, the author needs to study the perception of leaders on multicultural issues, management activities and the tactics used to solve the problems. Therefore, sub-questions are designed as:

1. How do Company X's team leaders perceive the importance of cultural diversity in the organization?
2. Which tools and methods are used by Company X's team leaders to manage cultural diversity?
3. How do they solve the cultural problems and prevent them from happening in the future?

Limitations

First, the term multiculturalism or cultural diversity used in this research refers to the differences in race, nationality and religion. Even though culture affects many activities in life, this thesis concentrates only on the importance of cultural diversity in group or organization.

Second, the ultimate goal of this study is to introduce the three practical leadership strategies for leaders in multicultural teams. These strategies have been developed by Mäkilouko (2003). They are designed from perspective of small group behavior and leadership. Therefore, the thesis aims at addressing solely the multicultural strategy in a small group or team rather than corporation or human resource management.

1.3 Thesis Structure

This thesis contains 7 chapters with two main parts: theoretical and empirical. They are designed as follow:



FIGURE 1. Thesis structure

The theoretical part is included in Chapter 2 and Chapter 3. The focal point of Chapter 2 is the introduction of the three multicultural leadership strategies developed by Mäkilouko (2003): Cultural ethnocentrism, cultural synergy and cultural polycentrism. Chapter 3 presents multicultural competences that a global leader needs to obtain. Three principle strategies for developing those competences are also included in this chapter.

The empirical part of this thesis includes two chapters. In Chapter 4, the author introduces briefly the background information of the case company. In addition, the situation of diversified workforce in the company is studied as well. Chapter 5 reveals the results of strategy questions, the interviewees' perspectives on multicultural leadership and multicultural strategies used in daily management.

Subsequently, the results of the interviews and the questionnaire are analyzed deeply in Chapter 6. Chapter 7 ultimately ends the thesis by giving answers to the research questions, self-evaluation and some suggestions for further research.

1.4 Research Methodology and Data Collection

An overview of this thesis's methodology is demonstrated by Figure 2 as follows:

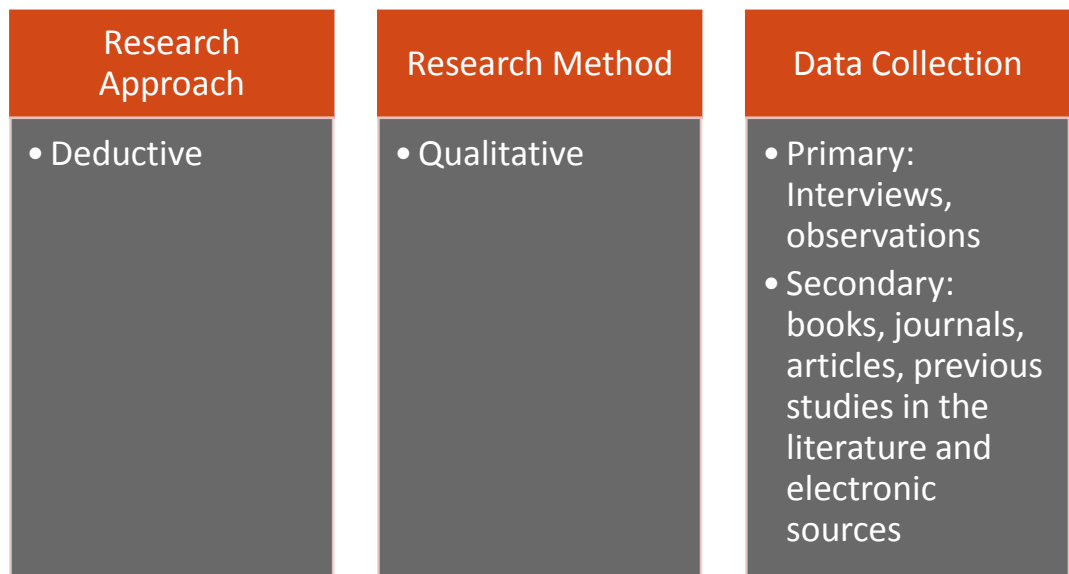


FIGURE 2. Research Methodology

Research Approach

In order to conduct research, researchers must define how to possibly approach data collection and analysis from either a deductive or an inductive perspective (Saunders et al 2007, 489). According to Yin (2003), a research project using a deductive approach is based on existing theory or knowledge that is further used (Saunders et al 2007, 490). A deductive approach begins by looking at the theory, building hypotheses from that theory, which relate to the focus of the research, and then designs a research strategy to test the hypotheses (Wilson 2010, 13). Conversely, Inductive approach starts with data collection and then proceeds to

develop a theory. A successful inductive approach “*may involve a lengthy period of time and prove to be resource intensive*” (Saunders 2007, 490).

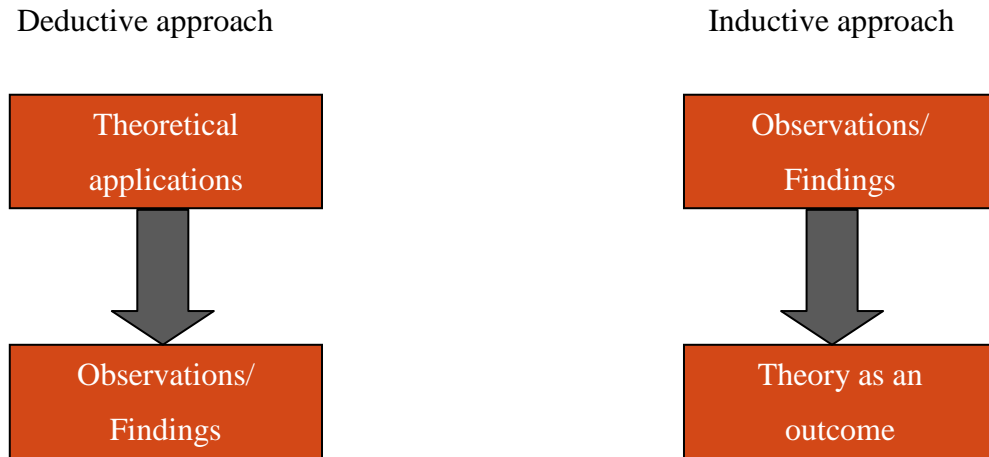


FIGURE 3. Deduction versus Induction (Modified from Wilson 2013, 13)

This thesis is based on already existing theory and knowledge. The literature review is formed to determine the theories that will be tested. Furthermore, the author had a short period of time working in Company X Corporation; generating new theory is therefore unfeasible. Due to the nature of the thesis topic and available time, this thesis uses deductive approach for conducting the research.

Research Method

The next stage after defining the research approach is to choose the research method for analysing collected data. There are two methods of research: quantitative research method and qualitative research method. Quantitative method generates statistics by using large-scale survey research such as questionnaires or structured interviews. In contrast, qualitative method explores the behavior, attitudes and experiences of objects through individual interviews or focus groups (Dawson 2012, 14-15). Table 1 illustrates the differences between the two methods:

TABLE 1. Quantitative Method versus Qualitative Method (Modified from Saunders et al. 2009)

Quantitative	Qualitative
<ul style="list-style-type: none"> • Based on meanings derived from numbers • Large-scale survey • Analysis conducted through the use of diagrams and statistics 	<ul style="list-style-type: none"> • Based on meanings expressed from words • Semi-structured/unstructured interviews • Analysis conducted through the use of conceptualization

Qualitative method was employed in this thesis to analyze the data collected. The purpose of choosing qualitative method was to get a deep understanding about the issue. The author believed that qualitative method was best applied to this thesis since she had the opportunity to work in the case company. Thus, the face-to-face interviews with company's team leaders became easier and more open. Due to the fact that the information acquired from each interviewee was expected to vary a lot, qualitative method with the limited number of interviewees was appropriate to get detailed answers.

Data Collection

Data collection is a series of interrelated activities aimed at gathering substantial information to answer the research questions. Choosing data collection method is therefore important for revealing the correct result. In this particular study, secondary data was collected from books, journals, articles, company's website and other relevant sources. In order to collect primary data, participant observations, semi-structured interviews were employed.

Participant observation means that the researcher participates in the lives and activities of subjects and thus becomes a member of their group, organization or

community. The researcher experiences not only by merely observing but also feeling what is going on. (Saunders et al. 2009, 290.) This data collection method worked effectively since the author was not only an intern, but also a part of the foreign community in the case company. The author had a great chance to observe the differences in the leadership styles among the team leaders. Aside from that, she understood profoundly the real multinational working environment in the company. The data was collected by observing the activities, particular events, the attendant processes and emotions involved.

Apart from observations, semi-structure interviews were chosen to collect the primary data. Semi-structured interview is popularly used in qualitative research. In semi-structured interviews, the researcher designs a list of questions and themes which probably vary from interview to interview. The order of the questions is changeable depending on the flow of the conversation. On the other hand, additional questions may be required to explore the research questions. The purpose of using semi-structured questions is to narrow down the possible answers but still keep the discussion open. (Saunders et al. 2009, 321.)

The semi-structure interview in this thesis was conducted on a face-to-face basic. The purpose of the face-to-face interview was to get more valid and reliable data from the objects. Since the author worked full-time in the case company during conducting the research, she had no difficulty setting up the meetings with the participants involved in the interview process.

In the next chapter, we will discuss further the multicultural leadership strategies developed by Mäkilouko (2003). These strategies are practically helpful for leaders in dealing with daily multicultural issues and improving leadership performance.

2 STRATEGIES FOR MANAGING CULTURAL DIVERSITY

People usually emphasize the importance of business strategy because they are aware of its value to the profitability of a company. Leadership strategy, however, is often ignored. It seems to be easier for leaders to manage homogenous groups which include people who share the same cultures, similar points of view, beliefs, values, and so forth. Nevertheless, when organizations go beyond border, an increase of cultural diversity in the workforce comes as the result. Diversity is an enriching factor but it comes along with many challenges (Njoku 2013, 58). How should leaders manage the challenges arising from cultural diversity? A leadership strategy for a culturally diverse environment, or so-called multicultural leadership strategy, is therefore needed to answer this question. Even though it is not the only solution in multicultural management, it provides a broad picture that shows how activities are coordinated to achieve a desired result. Before exploring multicultural leadership strategies, it is necessary to understand the concept of these two terms: cultural diversity and leadership strategy.

2.1 Cultural Diversity

In this thesis, the terms multiculturalism and cultural diversity are used interchangeably. They all share the common concept of a community where different cultures are mixed. It seems to be easier to understand the concept of both terms by exploring more deeply what the term culture means and how cultural diversity benefits an organization.

2.1.1 Culture Definition

“Culture is the collective programming of the mind distinguishing the members of one group or category of people from others” (Hofstede Geert 2005, 4).

There are ample definitions of the word culture found in previous literature, from very complex to very simple in terms of its meaning. For example, Krober & Kluckholn (1952) stated that *“culture consists of patterns, explicit and implicit, of and for behavior acquired and transmitted by symbols, constituting the distinctive achievements of human groups, including their embodiment in artifacts; the*

essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other, as conditional elements of future action” (Adler 1997, 14). A less easily comprehensible definition was defined by T.Schwartz (1992): “*Culture consists of the derivatives of experience, more or less organized, learned or created by the individuals of a population, including those images or encodements and their interpretations (meanings) transmitted from past generations, from contemporaries, or formed by individuals themselves.*” (Avruch 1998, 17.) Basically, the concept of culture revolves around the belief, art, morals, custom and other capabilities such as values, norms, traditions, mores, folkways, language, race, ethnicity, technology, fads and laws of people from the same society (Bueno 2012). Culture is shared by the social interaction in different ways, for instance, using language or communication technologies, to transmit the beliefs, values and expectation of the human society. Culture is learned through many ways. Members of a group learn to apply certain values, ideals, expectations to the society. Young generations accept the norms of the society to sustain social system within their families. Language, literature, music, arts and history also play important roles in cultural transmission. (Bueno 2012.)

Having another explanation about culture, Hofstede (2005) gave a simple and narrow definition. By connecting to the way that computers are programed, the patterns of our feelings, thinking and acting can be understood as mental programs. Each individual acquires different and unique mental programs which are affected and collected throughout one’s life experiences and the living environments such as family, neighborhood, working place. According to Hofstede (2005), culture does not only reflect the activities supposed to refine the mind such as thinking, feeling and acting but also the ordinary and menial things in life – for instance, greeting, eating, showing feelings or keeping distance from others. Culture is shared and learned within people who live in the same social environment. Culture is, therefore, described as “*the collective programming of the mind distinguishing the members of one group or category of people from others*”. (Hofstede 2005, 3-4.) According to Hofstede (2005), a group or category of people can be categorized into seven layers of culture as follows:

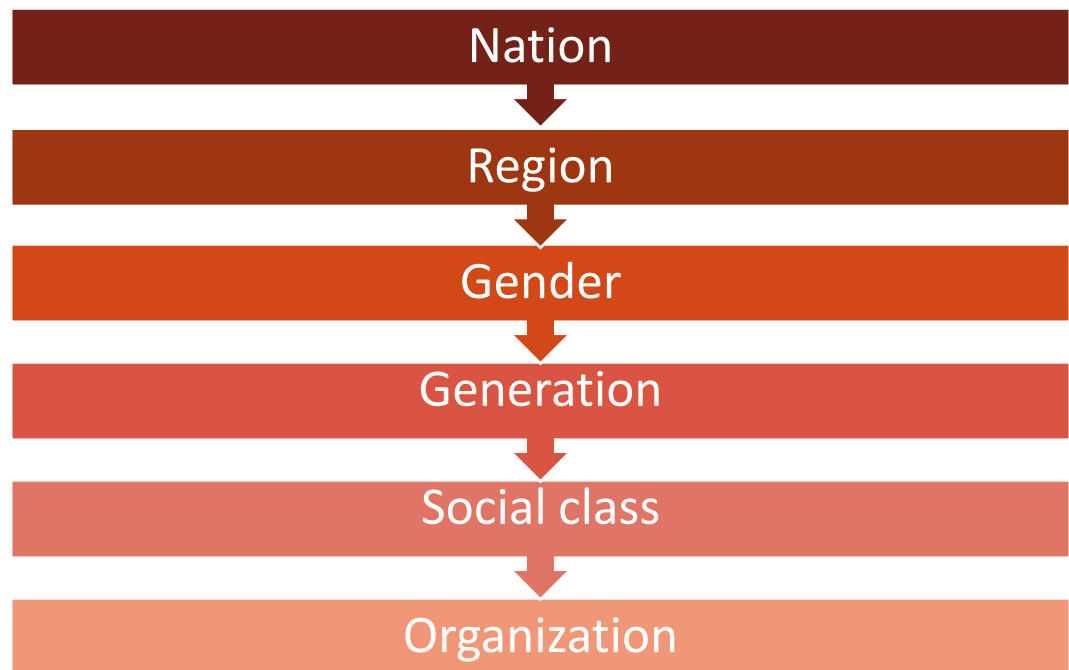


FIGURE 4. Cultural Layers (Modified from Hofstede 2005)

In order to address the cross-cultural problems in multicultural teams, this thesis concentrates particularly on the differences of national cultures. Simply speaking, culture that exists within a particular country is called national culture (Makilouku 2003, 8). Different nations have different and unique cultures from which inhabitants of one country are distinguished from others. The similarity of national culture depends greatly on the distance between countries. The closer the distance is, the more similar the cultures are. For instance, people from Asia such as Vietnam, China, Thailand and Korea share the similar culture in cuisine that they all use chopsticks for picking food. Additionally, national culture also explains the way one person behaves. Therefore, understanding different values of national cultures is necessary for leaders to interpret their employees' behaviors, motivations as well as expectations.

2.1.2 Cultural Diversity in Working Place

“The Four Layers of Diversity” model developed by Gardenswartz & Rowe (1994) describes quite clearly the concept of diversity. Individual style and characteristics which are so-called personality are in the center. It reflects how an

individual will be treated, get along with others and progress in the organization whether she/he is an introvert or extrovert, reflective or expressive, quick paced or methodical, a thinker or a doer. The second layer (Internal Dimensions) comprises the six aspects of ourselves over which we have little control. Gender, age, sexual orientation, race, ethnicity and physical ability influence the way a person behaves in an organization, the roles she/he plays in life and her/his expectations. The third layer (External Dimensions) comprises the result of life experience and personal choices. They are religion, education, marital status, work experience and recreational habits. The last layer, which is so called Organizational Dimensions, includes management status, union affiliation, work location, seniority, divisional department, work content/field and functional level classification. This layer is influenced by the organization on how they treat their employee and the productivity of the organization. (Gardenswartz et al. 2009, 38.)

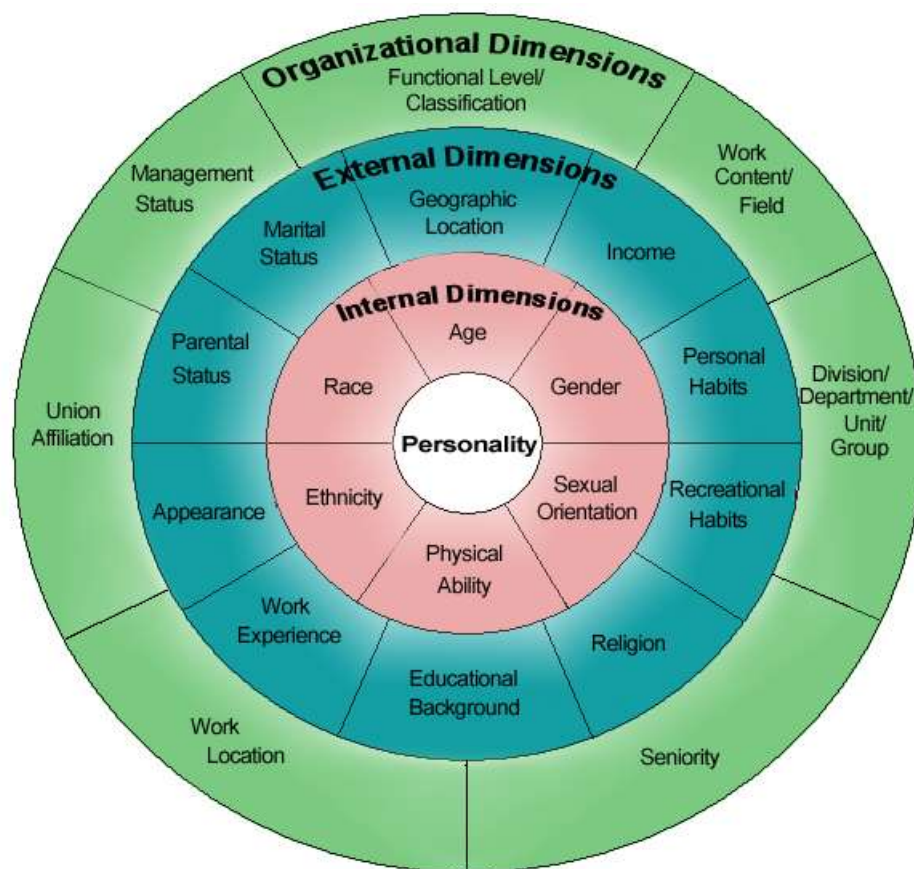


FIGURE 5. Four Layers of Diversity (Gardenswartz et al. 2009, 38)

Diversity is simply understood as the “*multitude of individual differences and similarities that exist between people*” (Treven et al. 2007, 29). As this thesis concentrates on the notion of cultural diversity, it seems suitable to clarify the term cultural diversity in more detail. A broad range of definitions have been given to the term of culture in the previous chapter. Simply put, culture is seen as “*collective programming of the human mind*” that distinguishes the members of one human group from those of another (Hofstede 2005, 3-4). Based on this premise, Cox (1993) generally specified cultural diversity as “*the presentation, in one social system, of people with distinctly different group affiliations of cultural significance*” (Romanenko 2012, 16). Cultural diversity happens when the differences in race, ethnicity, nationality, religion and sexual orientation are represented within working place (Amadeo 2014). It offers not only benefits, but also costs for a team or an organization (Yulk 2010, 473). People from different races, religions, nations, etc. have different life experiences, points of view and innovative ideas. These differences can strengthen the productivity and creativity of the group if they are valued and integrated into the group dynamics. The European Union Commission studied 200 companies in 2003 and found three areas where diversity mattered:

Marketing: A diversity workforce builds trust in corporate’s brand with a diverse target market (Amadeo 2014).

Operations: Full utilization of a diverse workforce will increase the amount of available talent for filling important jobs (Yukl 2008, 474).

Innovation: A diverse workforce better understands the market’s needs as they share the values of diverse markets. The team can successfully come up with new ideas and create new products that satisfy the target market. (Amadeo 2014.)

However, mismanaging cultural diversity can also weaken a group. Miscommunication, awkwardness and inefficiency coming as the result will apparently happen due to the differences in interpretation of events (Amadeo 2014). Thus, managing cultural diversity is an important but challenging responsibility of leaders in the twenty-first century (Yukl 2008, 474).

2.2 Leadership Strategy Definition

In order to understand what a leadership strategy is, it is an essence to define separately the two terms leadership and strategy.

Leadership Definition

There are many literatures about leadership in organization. However, it is difficult to define precisely the term leadership as it is a wide concept. Leadership is evidently the deciding factor to the success or failure of an organization. It is demonstrated by thousands of published articles and books dealing with leadership in organizations over the past 40 years to explore the characteristics of a good leadership. (Stashevsky et al. 2006, 5.)

Leadership, according to Robin (2005), is defined as “*the ability to influence a group towards the achievement of goals*” (Stashevsky et al. 2006, 5). More precisely, House & Wright (1997) defined organizational leadership as the “*ability to influence, motivate and contribute towards the effectiveness of the organizations of which they are members*” (Silverthorne 2005, 59). Leadership and management are sometimes confused. Kotter (1990) argues that management is about dealing with organizing, planning, designing rigid organizational structures and monitoring results against plans. Leadership is about setting up direction by developing a vision of the future, directing people towards this vision and inspiring them to overcome hurdles (Stashevsky et al. 2006, 5). Nevertheless, there exists a necessary link between both concepts and they must go together (Murray 2010). The excellent leaders have not only leadership skills but also a high level of management skills.

Strategy Definition

Strategy in term of management can be understood as a general direction and a long-term business policy. It is distinct from short-term tactics and day-to-day operations. Chandler (1962), the American business historian, provided an explicit definition of strategy in management as “*the determination of the basic long term goals and objectives of an organization, and the adaptation of courses of action and allocation of resources for carrying out those goals*”. (Karami 2007, 3.)

Based on the premise of leadership and strategy definitions, the author is able to generalize the concept of leadership strategy. The term can be understood as the long-term direction to influence, motivate and contribute towards the effectiveness of the organization. It provides a series of recommendations and actions to close the gap between current performance and desired performance in the future. (Pasmore 2014, 4.)

2.3 Multicultural Strategies by Mäkilouko

What then is multicultural leadership? How can leaders build strategies for leading culturally diverse teams? Multicultural leadership, according to Mäkilouko (2003), means leading heterogeneous teams which include members from two or more cultures. They may work at the same place or different locations. Multicultural leadership comprises various demanding issues such as leadership, individual differences, team context, task content, organizational behavior and cultural differences. Different personalities, leadership styles, leaders' skills and experiences are important variables that have been found to alter the leadership strategy. When leaders have some basic knowledge about the perspectives mentioned above, they can start building a cultural strategy. (Mäkilouko 2003, 14-15.)

Mäkilouko (2003) has pointed out that there are four major strategies to manage cultural diversity teams: cultural ethnocentrism, cultural synergy, cultural polycentrism and cultural geocentrism. Mäkilouko (2003) has also clarified that cultural geocentrism is hardly applied in practice. Thus, this thesis only examines the first three strategies as they are considered more practical in working place. The strategies are designed based on different national cultures, leadership beliefs, and personal leader orientations. There is no single strategy is right for all situations. Strategy can be changed based on the circumstances, knowledge and experiences of team leaders. Cultural ethnocentrism means that leaders use their leadership styles and ignore the others' cultures. This strategy is the most used by multicultural leaders. It is also the strategy for starting point with a new team and cultural mix. Cultural synergy strategy means leaders seek cultural similarities among team members regarding teamwork. Last but not least, polycentrism is the

most advanced strategy and usually is developed after ethnocentrism and synergy. Polycentric leaders try to adjust to the cultures of their team members. In other words, leaders behave differently according to team members' culture. This seems to be the most effective multicultural leadership strategy. Nevertheless, this strategy is successful only for leaders who have lots of experiences with multicultural team and a high level of knowledge about culture. (Makilouko 2003, 85-86.)

The relationship between cultural leadership strategies and level of cultural learning is presented in the figure below.

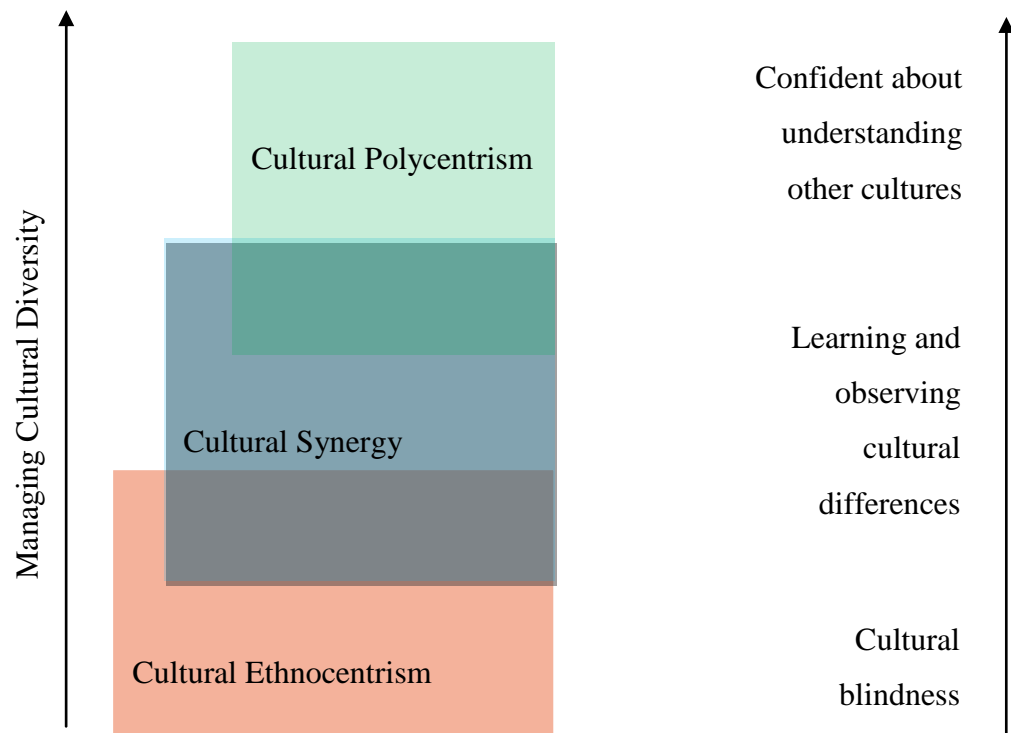


FIGURE 6. Multicultural Leadership Strategies (Modified from Mäkilouko 2003, 88)

2.3.1 Cultural Ethnocentrism

In sociology and psychology, the term ethnocentrism is used to explain discriminatory attitudes and behaviors between different cultural entities. Sumner (1906) has defined ethnocentrism as *“the view of thing in which one’s group is the center of everything, and others are scaled and rated with reference to it”*. (Sinkovics et al. 1994, 3.) In psychology, ethnocentrism is described as the tendency of an individual to consider strongly his or her own ingroup and culture; and the tendency to reject outgroups or to view any social, political or cultural events only from the perspectives of the ingroup (Sinkovics et al. 1994, 3). Based on that, Mäkilouko (2003) defined the term ethnocentrism in cultural management as *“the belief that one’s own way of life or culture is superior to others”*. In other word, leaders see the world solely from their perspectives and do not consider other perspectives in their leadership. The rest of the team should follow their leader’s style. In a very diverse team, it is difficult to master all the cultures. Furthermore, it is no time to create synergy because the work needs to start immediately. This strategy is considered to be the easiest approach as it is fast and requires no focus on culture. Ethnocentrism is often used at the starting point when the leader first cooperates with the team. It is then possible to proceed with the work regardless of cultural differences. (Mäkilouko 2003, 85-100.)

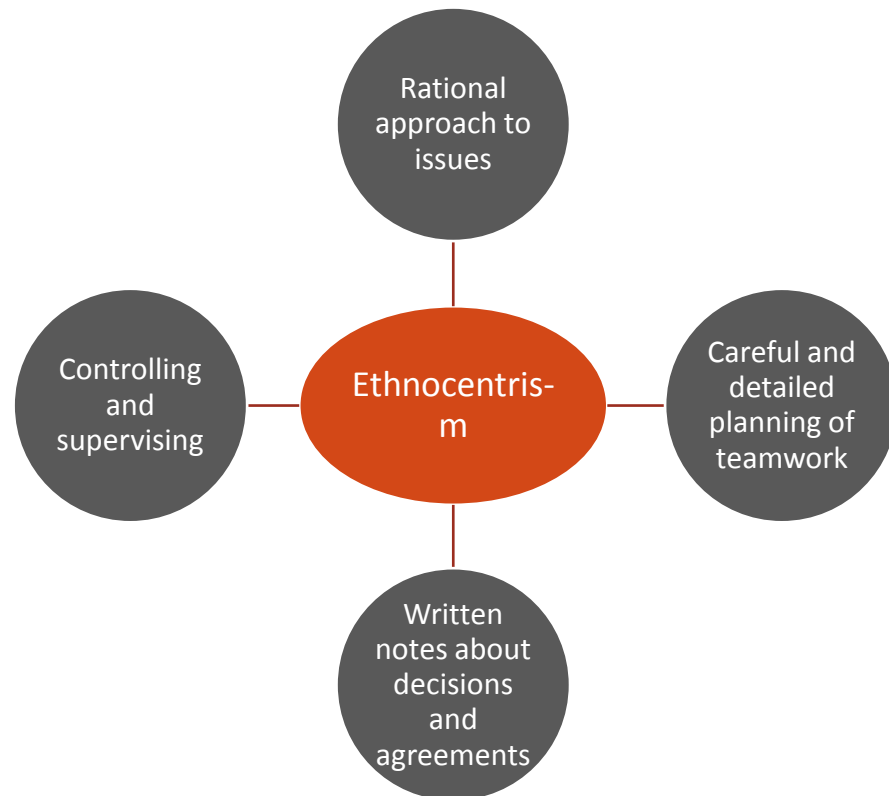


FIGURE 7. Cultural Ethnocentrism Characteristics (Modified from Mäkilouko 2003, 100)

In rational approach, team leaders usually reason based on fundamental rules and laws to form a base for the team work. It can be the goal of completing a project or the target to increase company's profit. Those are universal laws of nature that everybody can agree with. Rational approach is applied when leaders have little or no knowledge about the different cultures. Often, this happens under pressure with no time to build relationships and understand each team member's expectations. (Mäkilouko 2003, 100-101.)

A plan is always necessary for any project. However, leaders often tend to forget mentioning such information as details how things should be done, what to do when the work is delayed, who should be informed first if something goes wrong. It seems not to be necessary when team members share similar cultures and common work experiences with each other. It is, however, vital for a new team,

new leader or a team with cultures totally different from each other. (Makilouko 2003, 101.)

A detailed plan can only reduce confusion. A leader with little knowledge about culture will certainly face some issues coming surprisingly. Thus, the best way to minimize such problems is careful control and supervision. That should be in the form of written reports. Another tool for supervision is regular meeting or discussion. Wide distribution by email is also a good technique to make sure that every team member is informed. Once the message is transparent, there is no room for confusion and misunderstandings happening. Ethnocentrism is applied when cultures are so different within a team. (Makilouko 2003, 102.)

2.3.2 Cultural Synergy

What does synergy mean? In the multicultural leadership context, the word synergy means that leaders combine the strengths of all the members in their teams. Rules and norms are developed by all the members to fit the social situation and support the team performance. This leadership style is effective to manage a multicultural team. Synergistic leaders pay more attention to solve the different expectations in their teams and encourage people to learn from each other. Common agreements about the teamwork should not be left unclear. However, the process of the teamwork is longer because of a larger number of differences. Lack of face-to-face interaction will slow the process further. (Makilouko 2003, 89-96)

The figure below presents some characteristics of cultural synergy strategy:

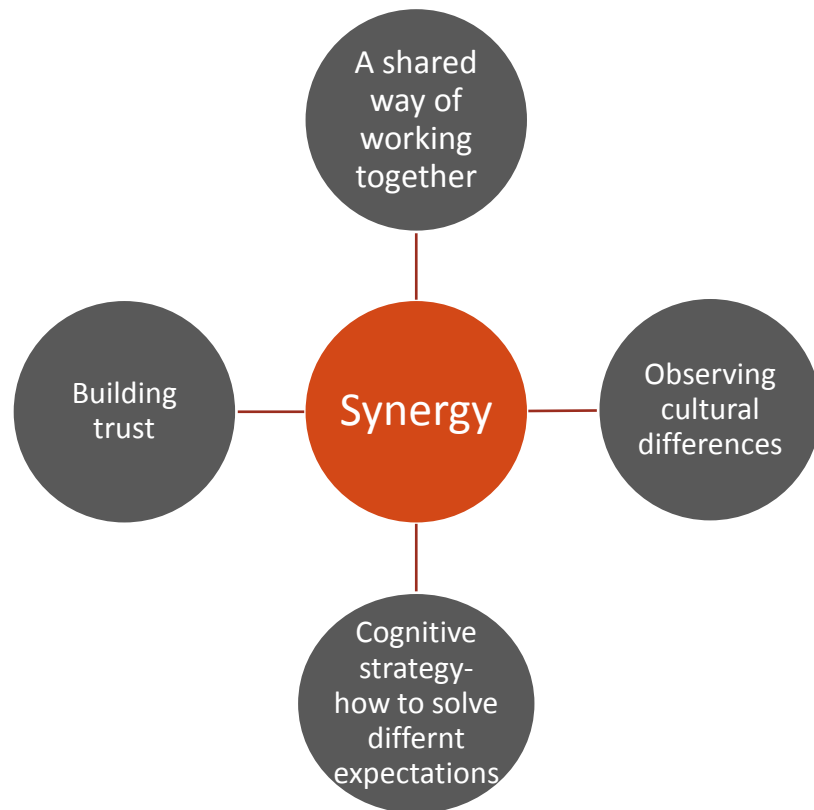


FIGURE 8. Cultural Synergy Strategy Characteristics (Modified from Mäkilouko 2003, 90)

Different people have different expectations regarding the practicalities of teamwork. The differences are even larger when cultures are mixed within a team. A foreign team member may feel anxiety because he or she is not accustomed to foreign manner of teamwork. A common agreement at the beginning of the work is therefore necessary to avoid the confusion among team members. Cultural similarities should be found and discussed to form the basis for this new strategy. In order to approach cultural synergy strategy, knowledge about cultures and how people work together in different cultures are required. (Mäkilouko 2003, 90-91.)

Learning about culture requires the leader to make effort to build good relationships with the team members. Relationships bring the cohesion to the team. This means a lot in reducing the confusion and mistakes between different cultures. Trust is also formed based on relationships which are usually used to resolve problems in a manner that does not break the cycle of trust. Leaders take

time to get to know their team members and fully utilize all the strengths of all the people and cultures involved. Further, an active leadership style is required to be applied in a synergistic team. This means a lot of discussions and personal interaction with team members. (Mäkilouko2003, 93-95.)

It does take time to develop cultural synergy strategy. Figure 9 illustrates Mäkilouko's idea of the steps taken for creating cultural synergy in the team:

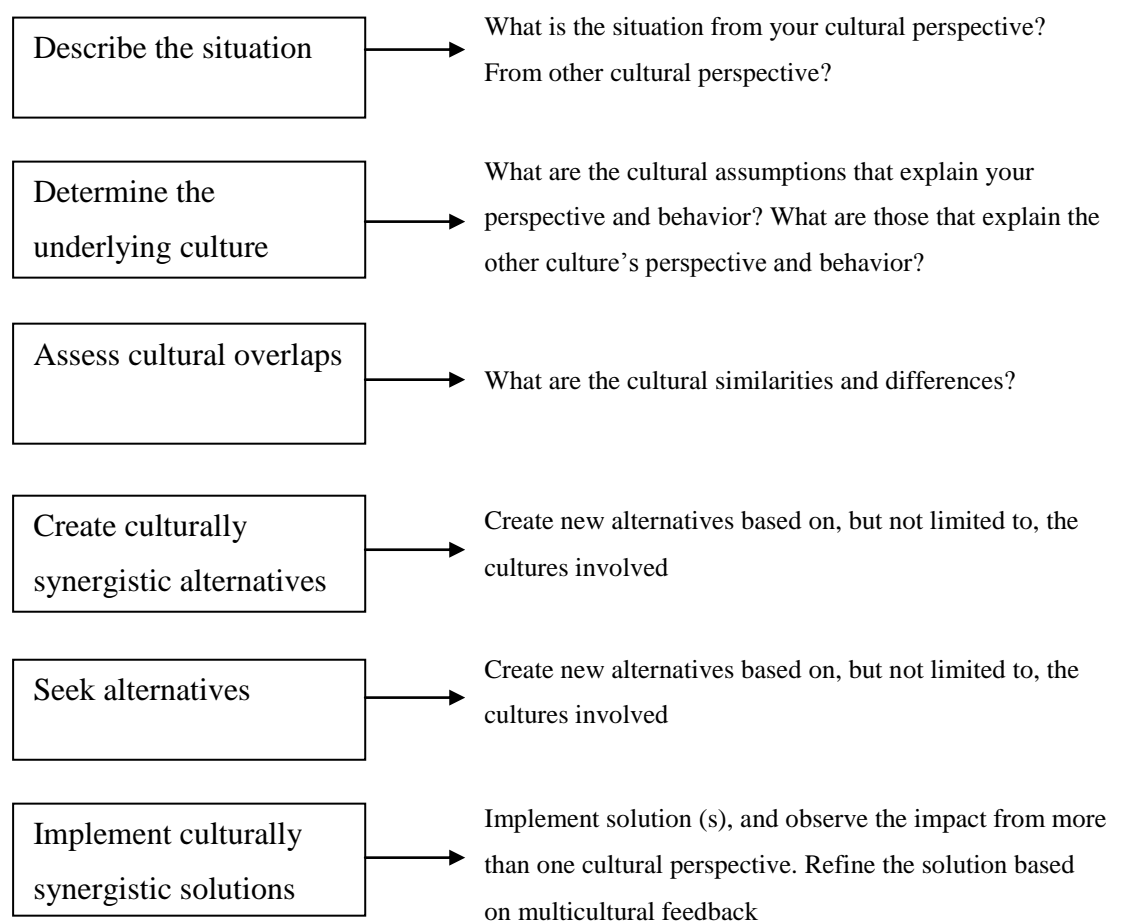


FIGURE 9. Steps for Creating Cultural Synergy (Mäkilouko 2003, 92)

However, it should be noticed that it is difficult to create cultural synergy in a multicultural team. There is often not enough time for learning from each other, particularly in an environment where the work needs to be done immediately. Furthermore, it is always difficult to change people, especially when habits and

patterns of thinking have their roots in the national culture. A team based on cultural synergy means that the team members have to get used to the new way of working together. The team leader needs to be flexible and to make sure that the common agreements are executed. This strategy is applied when cultures are similar to each other. (Mäkilouko2003, 96.)

2.3.3 Cultural Polycentrism

Mäkilouko (2003) believed that the polycentric leadership style is the most effective multicultural leadership strategy. The term polycentrism is used widely in international business management. Polycentrism-oriented businesses adopt the belief that every country is unique and needs a different approach (Wright 2014). In the cultural context, Mäkilouko (2003) defined polycentrism as the way that leaders treat cultures with respect and try to preserve them as they are in their teams. In other words, leaders try to learn about cultures and adjust their styles according to the differences. Each culture in the particular team is treated differently. According to Mäkilouko (2003), this strategy works effectively when team members are located in various countries. Often the team members have fewer opportunities to learn about culture from each other. (Makilouko 2003, 119.) The leaders in these particular teams usually work as integrators between cultures. However, polycentrism is seen to be the hardest strategy to apply. It requires a high level of experience in leadership and with multicultural teams. In order to successfully apply polycentrism, ethnocentrism and synergy are usually preceded. (Makilouko 2003, 86.)

Figure 10 illustrates the characteristics of Polycentric Leadership Style:

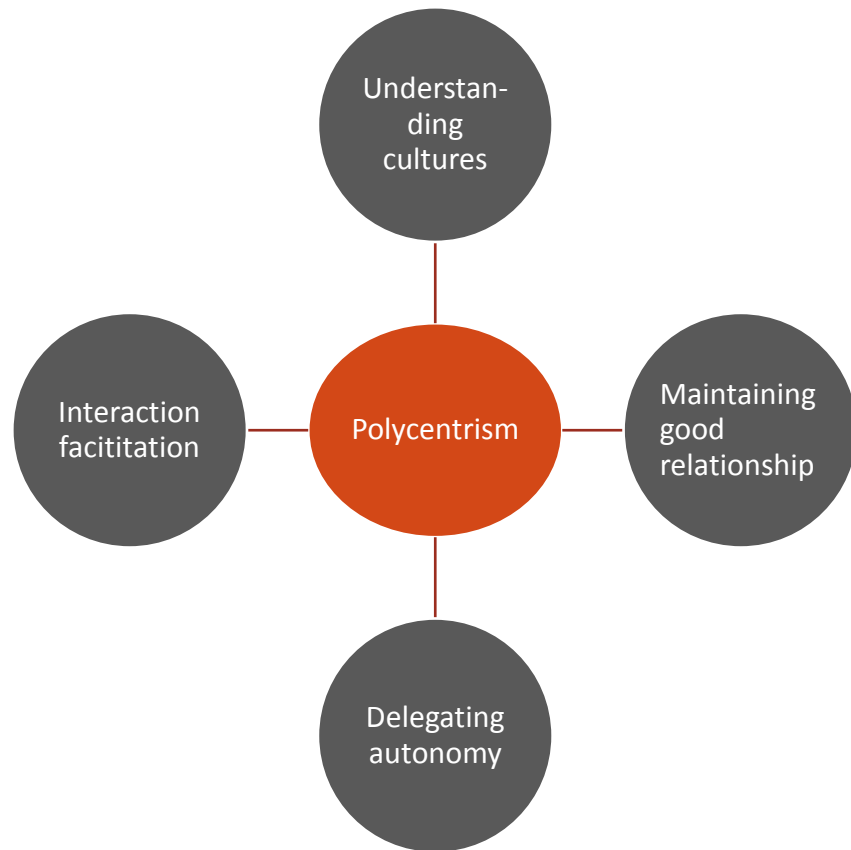


FIGURE 10. Polycentrism Strategy Characteristics (Modified from Mäkilouko 2003, 120)

Polycentric leaders are confident about understanding different behaviors in their teams. This knowledge is collected through experiences. Furthermore, polycentric leaders always seek learning opportunities. According to Mäkilouko (2003), polycentric leaders have three major personal characteristics: cognitive complexity, emotional energy and psychological maturity. The cognitive complexity is the ability to relate, learn and understand other cultures. Emotional energy is needed to handle emotions arising from uncomfortable and stressful situations. Last but not least, psychological maturity is understood as a degree of emotional resilience to maintain a proper attitude and cultural empathy in all circumstances. (Makilouko 2003, 121.)

Polycentric leaders sometimes delegate their authority to their team members. It seems impossible to supervise daily or weekly when the team members are located in various countries. Dispersed teams tend to need some team members

who are accustomed to autonomy. Autonomy often increases trust, commitment and motivation. However, it requires a supportive team design and effective communication. Relationships and trust are the characteristics of an effective multicultural team. Whereas synergistic leaders try to build relationships and trust among team members, polycentric leaders make effort to maintain the established relationships and trust. (Makilouko 2003, 124-127.)

Another characteristic of cultural polycentrism is interaction facilitation. The term facilitation literally means “to make easy”. The task of facilitator is to create an environment where complicated work is made easier for participants (Jones 2002). Polycentric leaders usually seek to facilitate interaction among the team members. In other words, they try to make complex communication easier. People tend to communicate directly with whoever is considered to need the information or to have the answer for a certain problem. As a result, the team receives directions from a large number of people. The result is often chaos that delays the work. The problem is common when team members are located in many countries. Thus, a detailed communication plan is seen as a solution for this communication chaos. Team members need to have basic rules of keeping the leaders and other team members informed about the problems and how they are approached. This helps to prevent the confusion and conflict information during the teamwork. (Makilouko 2003, 128-129.)

In summary, according to Mākilouko (2003), there are three practical strategies that are used in managing cultural diversity. Cultural ethnocentrism means that leaders do not consider other cultures in their leadership. They tend to build system and detailed plan to minimize the confusion. The strategy is often applied when the team is first established or the leader has little knowledge about cultures. Cultural synergy, on the other hand, means that leaders try to combine similarities among culturally different members. By doing this, team leaders can create a shared way of working together within their teams. The key word is cognitive strategy. It means how leaders solve the different expectations, learn from each other and create common agreement towards the team work. The last strategy is cultural polycentrism. This is considered the advanced strategy which is usually applied after developing cultural ethnocentrism and cultural synergy. Polycentric

leaders have good knowledge of culture and adjust their styles to agree with cultural preferences.

3 MULTICULTURAL COMPETENCES

In order to develop multicultural leadership strategy, leaders need to know how competent they are and how to develop them. The first part of this chapter presents two crucial multicultural competences necessary for global leaders: cultural intelligence and cross-cultural communication. Then, strategies for developing these competences suggested by Steers, Sanchez-Runde & Nardon (2013) will be discussed in the second part.

The term competencies is defined by Pritchard (1999) as the knowledge, skills, abilities, personal characteristics and other person-based factors that help distinguish between outstanding performance and average performance (Connerley 2004, 70). Multicultural competences generally mean the knowledge, skills, abilities and personal characteristics that help leaders work successfully across cultures. It is essential to understand that multicultural competent is more than just being polite or empathetic to people from other cultures. Leaders should know how to capitalize on cultural diversity in their teams to make the work done. (Steers et al. 2013.) They include skills such as

- Understanding cultural differences
 - Changing and creating group cultural norms
 - Communicating across cultures
 - Dealing with conflict
 - Developing trust based relationships
 - Understanding the constraints and opportunities imposed by the micro-context of an interaction
 - Manipulating the constraints and opportunities when appropriate
- (Steers et al. 2013)

Nevertheless, the competency lists are various as many researchers have attempted to define the characteristics of multicultural competency. Thus it seems to be difficult to determine which multicultural competencies are important. (Connerley 2004, 70-71.) Due to the small scope of this research, the thesis concentrates on only two competencies which the author believes to be most important.

3.1 Cultural Intelligence

Cultural intelligence, or so-called CQ, is defined as an individual's capacity to function effectively in multicultural settings. Ang & Dyne (2008) have showed in their research the four-factor model of CQ. Earley and Ang (2003) theorized that CQ is a multidimensional concept that includes metacognitive, cognitive, motivational and behavioral dimensions. Metacognitive CQ reflects the mental ability to acquire and understand cultural knowledge. Cognitive CQ reflects general knowledge and knowledge structures about culture. Motivational CQ reflects individual capacity to direct energy towards learning about and functioning in intercultural situations. Behavioral CQ reflects individual capacity to exhibit appropriate verbal and nonverbal actions in multicultural interactions. (Ang & Dyne 2008, 4-5.)

Metacognitive CQ: The leaders with high metacognitive CQ show high level of cultural awareness during cross-cultural interactions. First, they are aware of their own assumptions, reflect during interactions and adjust their cultural knowledge when interacting with those from other cultures. For example, a Western leader with high metacognitive CQ would be mindful about the appropriate time to speak up during meetings with an Asian team member. Metacognitive CQ reflects mental processes that leaders use to acquire and understand differences in culture. Additionally, there are several relevant capabilities including planning, monitoring and revising mental models of cultural norms for culturally different groups. The leaders with high metacognitive CQ are aware of the cultural preferences during interacting with the team members. (Ang & Dyne 2008, 5.)

Cognitive CQ: This term reflects knowledge of norms, practices and conventions in different cultures that have been acquired from experiences. The cognitive factor of CQ is a critical component because knowledge of culture influences people's thoughts and behaviors. There are systems that shape and cause specific patterns of social interactions. Leaders who have high cognitive CQ better appreciate these systems and effectively interact with people from different cultures. (Ang & Dyne 2008, 5-6.)

Motivational CQ: Motivational CQ refers to the ability to direct attention and energy towards learning about and functioning in cross-cultural situations.

According to Eccles & Wigfield (2002), the direction and level of energy towards a particular task involves two elements: expectation of successfully accomplishing the task and the value associated with accomplishing the task. This is the critical component of CQ because it is a source of drive. Leaders with high motivational CQ make more effort to learn the differences in cultural settings and to try to work things out. (Ang & Dyne 2008, 6.)

Behavioral CQ: This term refers to the extent to which leaders act appropriately (both verbally and nonverbally) in cross-cultural situations. The leaders with high behavioral CQ are flexible and can adjust their behaviors to the specifics of each cultural interaction. In cross-cultural situations, nonverbal behaviors are significantly important. On face-to-face contact, individuals do not know each other's thoughts, feelings or motivation. Vocal, facial and other outward expressions are the only things they can rely on. Because of that, the behavioral component of CQ may be the most critical factor which is used to assess other's CQ. (Ang & Dyne 2008, 6.)

3.2 Cross-Cultural Communication

In the team that comprises culturally diverse members, the most challenge seems to arise from the cross-culture integration. Different languages and culturally different perspectives can make the interaction even harder to interpret and respond. Thus, Matveev and Nelson (2004) believed that a skilled multicultural leader must obtain cross-cultural communication competency to address any performance challenges. (Congden et al. 2009, 74.) A high level of cross-cultural communication is required to successfully obtain information from a culturally different colleague. Previous literatures have found out several characteristics of cross-cultural communication competence. They are relationship skills, communication skills and personal traits such as inquisitiveness. Apart from the knowledge of different languages and cultures, cross-cultural communication competence also requires affective and behavioral skills. These skills are, for

instance, empathy, human warmth, charisma and the ability to manage anxiety and uncertainty. (Congden et al. 2009, 74-75.)

The Cross-Cultural Communication Competences Model (Matveev & Nelson, 2004; Matveev, Rao & Milter, 2001) comprises four dimensions: interpersonal skills, team effectiveness, cultural uncertainty and cultural empathy. In the interpersonal skills dimension, team leaders acknowledge the differences in the communication styles of people from different cultures. They are flexible in solving misunderstandings and feel comfortable in interacting with foreigners. Team effectiveness dimension comprises the ability to clearly communicate team goals, roles and norms to other members in multicultural teams. Cultural uncertainty dimension reflects the ability to display patience in intercultural situations. He or she is able to be tolerant of ambiguity and uncertainties arising from cultural differences. Last but not mean least, cultural empathy includes the ability to understand the world from other's cultural perspectives. Cultural empathic leaders appreciate different working styles and accept things done in dissimilar ways. (Congden et al. 2009, 75.)

3.3 Developing Multicultural Competencies

Multicultural competence is a matter of degree. Most leaders with their high level of education and experience understand how behaviors can differ across cultures. The challenge is therefore to enhance this set of skills in ways that leaders can capitalize on. (Steers et al. 2013). There are three principal strategies suggested by Steers et al. (2013) to develop multicultural competences:

1. Acquire foundational understanding

At the beginning, leaders can start to work on discovering human behavior to be able to explain how it can be influenced by cultural and contextual variables. This knowledge can be used in facilitating sense making when they are exposed to an unusual circumstance. They can acquire the knowledge through seeking information about culture and human behavior in general. The knowledge then is narrowed down to specific cultures in their teams. The goal is to better understand one's behaviors, not to judge them. The leaders can work to enhance their own

self-awareness and understanding. They need to know their own values, beliefs, styles and patterns of behavior and be able to explain them to others as well. It also includes recognizing the lack of desired effects in cross-cultural settings. For instance, a leader that is typically direct in communication may need to adjust or explain his or her style so that individuals from indirect cultures do not feel insulted. (Steers et al. 2013.)

2. Seek multicultural experiences

People learn and develop based on their past experiences and mistakes. This is the essence of experiential learning that we try, make mistakes and learn from them. Fortunately, leaders can seek multicultural experiences everywhere. Nowadays, it is becoming easier to have a multicultural experience as the level of global migration is increasing significantly (Steers et al. 2013). Multicultural leaders can become involved with foreign community events outside the work, social and political functions, celebrations, friendships, neighborhood groups and so forth (Sue et al. 1992, 484).

3. Consolidate learning: Develop theories in use or action plans

In this stage, the leaders apply the knowledge that they have learned from stage 1 and 2. The challenge of developing multicultural competences is not just to learn but also to apply learning in practice. Once the leaders understand what is required, they will adjust their behavioral strategies, create and experiment with new action plans in the field. For instance, a leader who has realized his or her tendency to direct communication needs to figure out which skills make him or her more indirect. Then, he or she will experiment with new skills and develop them into cross-cultural communication. (Steers et al. 2013.)

4 CASE COMPANY

4.1 X Corporation's Background

This content is not available.

4.2 Company X in Poland

This content is not available.

5 EMPIRICAL RESEARCH

5.1 Data Collection Procedure

The case company's information was collected mostly from Company X' official website. Apart from that, the author contacted Ms. P. and Ms. H. from the company to exchange some valuable company's information. Data was also collected from the experiences of the author during the time working in the case company. She observed and took note about significant activities and events related to multi-culture. Furthermore, as a foreign employee, she had a great chance to discuss with other foreigners and understand more their expressions towards their team leaders. This stage was taken place in January 2015.

Meanwhile, the questionnaire was being prepared for the interview with the team leaders of the company. The interviewees were contacted by emails at the beginning of February 2015. An email with a brief introduction to the research topic and embedded interview questions was sent out to the five team leaders. It was approximately 20 minutes for each interview to take place. Dates and times of the interviews were arranged up to the schedule of the interviewees. Two kinds of questionnaire were attached in the email sent to the interviewees: 1) the open-ended questionnaire and 2) the Likert-scale questionnaire.

Due to the fact that not all of the team leaders in Company X are managing multinational teams, the author had to consider carefully the suitable candidates in order to acquire the valuable information. There were five invitations sent to the candidates and 100% positively responded. All candidates are currently managing multinational teams. The interviews took place inside the meeting room of Company X from February 3rd 2015 to February 13th 2015. There were four interviewees handed out the answers for the Likert-scale questionnaire at the interview. There was only one candidate sent it via email to the author after the interview. During the interview, the conversation was recorded with the approval of the interviewee.

5.2 Questionnaire Formulation

The questionnaire is one of the most widely used data collection techniques in the survey strategy. In order to ensure the quality of the answer for the research question, the researcher has to produce a good questionnaire as she only has one opportunity to collect the data. (Saunders et al. 2009, 361.)

There are two types of questionnaires designed for the primary data collection in this thesis: open-ended questionnaire and closed questionnaire. Open-ended questions may be more appropriate in qualitative research method as they can capture the specificity of a particular situation. They enable the respondents to give the answers as much as they wish. Thus, they are used for investigating a complex issue. (Saunders et al. 2009, 362.) The closed questionnaire in this thesis is based on the Likert scale. Likert scale is a five point scale used to allow individuals to express how much they agree or disagree with a particular statement. (Leod 2008.)

In this particular thesis, the open-ended questionnaire was categorized into three parts. The first part was the background questions which were designed to better understand profiles of the interviewees and the reasoning behind their answers. The second part of the questionnaire was to explore the importance of multiculturalism on perspectives of the interviewees. Four questionnaires of the third part aimed at studying which multicultural strategy and management tools are used by the team leaders. All questions were linked to the theory and the literature. The questionnaire can be found in Appendix 2.

The closed questionnaire, or so-called the Likert-scale questionnaire was designed based on the multicultural leadership strategies developed by Mäkilouko (2003). In this thesis, the main objective of the questionnaire was to study which strategy among the three strategies (synergy, ethnocentrism and polycentrism) was used most by Company X's team leaders. The Likert scale measured either positive or negative response to the statement about leadership style. Option three was the neutral answer which was chosen when the interviewee neither agreed nor disagreed with the statement.

5.3 Results of Interviews

This section focuses on the answers of the interviewees without analyzing them. Analysis and recommendations are discussed in detail in chapter 6. The first part reveals the information background of the team leaders. The second part reveals the challenges and benefits that multiculturalism brings to the teams and the company. The third part reveals the result of management methods and tools which are then used to evaluate the multicultural strategies. Last but not least, the result of multicultural leadership strategies based on Mäkilouko (2003)'s theory is presented in the final part.

In order to keep the answers objective, the author had to compromise not to publish the interviewees' personal information such as name, team or department in the final thesis. However, the information about foreign experiences and the number of foreign employees in the team is allowed to be published since this is a part of the thesis analysis. The names of the interviewees are coded with letters A, B, C, D and E which are used in interpreting and analyzing the answers.

Interviewees' Background

Having experiences abroad always bring advantages for leaders to manage multicultural teams. Four out of five interviewees had pursued their bachelor degrees abroad.

Interviewee A manages two foreigners in her team coming from country T and A. Interviewee B manages 35 employees, 10 of them are foreigners. They come from mostly Europe and some from Asia. Interviewee C has only 9 employees of which there are two foreigners from country S. and R. Interviewee D is managing 15 employees of which there are seven foreigners. Furthermore, they are not located in Poland, but in five different locations. Interviewee E manages only 1 foreign employee. Her experience in terms of multicultural management, however, is not less than the other interviewees. Before the current position, she used to work as a trainer about multiculturalism. The table below summarizes the background information of the interviewees:

TABLE 2. Interviewees' Background Summary

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Challenges and Benefits of Multicultural Team

Three interviewees find it challenging to manage the multicultural teams.

Different cultures share different ways of behaviors and expectations towards the team leaders. Communication is also mentioned as a challenge in multicultural team. For some countries that are more open, people tend to be straight and direct to the point. However, Asian people, for instance, would prefer to prevaricate at the issue. As a result, some feedback seems to be positive for this person but offensive for another one. (Interviewee A.) Interviewee B shared that miscommunication happens sometimes in her team even between two Polish colleagues because people are different in terms of personalities. Therefore, regardless of culture, she always has to know how to manage the differences in personality as well. However, according to interviewee C, cultural diversity does not really matter in management. Instead, personalities are more important than nationalities to be considered in managing people. Interviewee D stated that cultural diversity only matters when he manages people from different locations. The work always needs to be done even on holidays. Understanding how important holidays are to some religions is necessary to assign the tasks and keep the employees satisfied. There is also a challenge that cannot be ignored, particularly in a multinational corporation. Interviewee C, interviewee D and interviewee E all agreed that retaining skillful foreign employees is a tough assignment of the team leaders and the company as well. They tend to come back home or move to another countries for instance Germany, United Kingdom, etc. after earning some work experience in the company. It is always a dilemma for human resource management. Hiring a new foreign employee is always associated with complicated administrative formalities and costs arising from job advertising, training, work permit application and so forth.

Nevertheless, the organization always benefits from the multicultural workplace. Interviewee B believed that a diverse workforce has brought different perspectives and innovative ideas to her team meetings. Diversity creates a wider knowledge

on some certain issues. Language is a great challenge for the team in communication. However, it can be an advantage to encourage the team members to develop their communication skills every day. People try to speak to each other more frequently so that they can minimize mistakes. This increases not only communication skills, but also the integrity for the whole team. Adding to the benefits of multicultural team, Interviewee D stated that cultural diversity definitely reduces the operational costs for the organization. His employees working abroad have high opportunities to get the customers fast, understand the market well, and access quickly to the information sources. Interviewee E shared that multicultural environment impulses the development of individuals. People tend to learn from each other, not only knowledge but also professionalism. Last but not least, diversity contributes positively to forming a creative, dynamic and updated work environment in Company X.

The table below summarizes the answers of interviewees about the challenges and the benefits of the multicultural workplace:

TABLE 3. Challenges and Benefits of Diversity in Company X

Challenges	Benefits
<ul style="list-style-type: none"> -Leaders have to address the problems derived from diverse expectations and behaviors -Using English every day and adjusting to different communication styles -Understanding the importance of holidays in different religions -Keeping foreigners stay long -Complicated administrative formalities 	<ul style="list-style-type: none"> -Different ideas, perspectives in team meeting -Increasing communication and integrity for the whole team -Reducing operational costs (costs of operating in new markets) -Getting customers fast, understanding the market well, accessing to the information source quickly

	-Enhancing individual developments -Creating a creative, dynamic and updated work environment
--	--

Multicultural management methods and tools in Company X

All five interviewees agreed that cultural understanding is the best tool for managing multi-culture, even though interviewee C does not spend much time on this. Interviewee B always tries to understand her employees' behavior. She usually organizes team building for her team after work. Team building is a method to connect all the team members, create trust and increase communication. In team building, her team works as a unity to make the best performance regardless of cultures. According to interviewee C, the experiences abroad are the tools he uses in managing the foreigners in his team. Furthermore, the team work is always controlled by the communication tools such as internal chat forum, Outlook, Webex, Cisco system. Language was mentioned as a tool in a multicultural environment by interviewee D. Company X always encourages its employees to learn languages from each other. The lessons are usually organized after work. There are many language classes taught by the foreign employees in Company X.

For all interviewees, the most effective management method is individual meeting. It helps interviewee A better understand her employees' expectations. It is not necessary to discuss about work in the meeting. The topics can vary for example new life in Poland, family, future plans, etc. Furthermore, regular team meetings take place often with the support of technology such as WebEx, Cisco Telephone and Video conference.

Only two interviewees (interviewee C & interviewee D) argued that there was no need to have a clear strategy in multicultural management. They usually solve the problems based on circumstances. The two interviewees have the same idea that nationality is important, but personality does matter most. Interviewee C treats the

foreign employees as equally as the Polish employees. He believes that people are different from each other, even when they share the same ethnicity. Therefore, it should be more flexible in the way of managing people. Interviewee D's team members are located in different nations, whereas the work needs to be done immediately. Thus, there is no time to understand every culture. Common rules or detailed plans in advance always help to keep track of the teamwork and employees regardless of culture and time zone.

On the contrary, according to interviewee A, interviewee B and interviewee E, leaders should have a strategy to manage the differences in their teams.

Interviewee A concentrates on building trust within her team. She does not judge people based on the perspective of her culture. Instead, she always tries to discuss and gets to know better the cultural background of her team members. Similarly, interviewee B always tries to understand the cultures of her employees and treats people differently. She believed that a team works well only when good relationships are built among team members. Interviewee E also shares the same style with interviewee A and interviewee B. She understands the differences in culture and building good relationships with her team members. She also seeks consultancy from her colleagues outside the team who are foreigners and willing to give her advices on particular circumstances.

Even though there were two opposite points of view about leadership strategy, all interviewees believed that detailed plan is always important whichever strategy is applied. Plans are distributed to all team members so that everybody is informed clearly about the task and deadline. By doing this, the leader ensures the accuracy and timing of the information that the team provides. Communication happens frequently through an internal chatting forum so that people are kept updated all the time.

Multicultural Management Strategies according to Mäkilouko's Theory

The Likert-questionnaire aims at finding out which strategy among three leadership strategies; cultural synergy, cultural ethnocentrism and cultural polycentrism that the team leaders use. Then, the suggestions for further improvement according to strategy found out will be given in the next chapter.

When analyzing the data, the answers are marked with letters: E (ethnocentrism), S (synergy) and P (polycentrism). The letters are coded correspond with the increase of agreement level. The results are summarized in Table 4:

TABLE 4. Interview Result Summary

	Interviewee A	Interviewee B	Interviewee C	Interviewee D	Interviewee E
1. I always try to understand my foreign team member's culture	P	P	S	S	P
2. It is important to acquire knowledge of all cultures in my team	S	S	E	E	S
3. A team works well if people trust each other	P	P	S	S	P
4. I adjust my styles towards culturally different team members	S	S	E	E	S
5. It is a waste of time to supervise and control team work all the time	S	S	E	E	S
6. I sometimes delegate the authority to some team member	E	E	E	E	S
7. Changing team members is necessary to form an effective team	S	S	E	E	P

Result

Interviewee A	Interviewee B	Interviewee C	Interviewee D	Interviewee E
S	S	E	E	S

The figure illustrates that with these answers there are three interviewees categorized as synergistic leaders. The two interviewees C and D show the style of ethnocentrism in their responds. The result indicates that none of them is polycentric leader. In the next chapter, the research data will be analyzed in more detail. Furthermore, recommendations for developing the current strategies used by the team leaders will be given after the result analysis.

6 DATA ANALYSIS AND RECOMMENDATIONS

This chapter analyzes the results found out in Chapter 5. The background information of the interviewees will be discussed first as it is a determinant of leadership style. The result has shown that cultural synergy and cultural ethnocentrism are used mostly by the team leaders. The analysis on these two strategies is therefore emphasized. Last but not least, the chapter ends with some recommendations for Company X's team leaders to acquire better performance.

6.1 Data Analysis

Background information of the interviewees

The author found that having work experience abroad contributes to creating multicultural competences of a leader. When a person is out of his or her comfort zone, he or she has more motivation to learn, adapt and adjust him or herself to the environment. When living in a new country, one has to be aware of the local culture, behavior, thinking style and other values. Thus, a leader who has abroad experience is more curious about cultures and tends to raise the cultural awareness. Furthermore, having work experience abroad develops greatly one's language and communication competence. Living in an environment which is surrounded by a different language, one must endeavor to understand others and make them understand him or herself. This is more or less necessary in building cross-cultural communication competence. It is interesting to notice that all interviewees have had at least once experienced working abroad. At some level, they obtain certain knowledge of different cultures and outstanding foreign language proficiency. However, either taking cultural differences into account or ignoring them is a matter of strategic choice.

The result indicates that cultural diversity degree in a team also affects the choice of leadership style in Company X. Managing a team in which cultural backgrounds are so different, the leader tends to learn more about the differences among the team members. He or she will try to understand his or her member on the cultural aspect. Thus, the leadership style is usually relationship-oriented. This, however, is not always the case. Managing a very multicultural team,

interviewee D instead approaches task-oriented leadership style. It seems to be easier to control and supervise the teamwork when the members are working in different locations. Furthermore, there is no time to get to learn thoroughly every member's culture when the workload is extremely heavy and the job needs to be done immediately.

Findings on leadership styles based on management methods and tools

Based on management methods used by the team leaders, the author found out two leadership styles in Company X: relationship-oriented and task-oriented styles. The leaders who are relation-oriented tend to learn more about cultures. They devote their time to building good relationships with the team members. When talking about multicultural management tool, the relationship-oriented leaders often mentioned e-learning, cultural wizard or other cultural training sessions. The task-oriented leaders, whereas, emphasized common language and technology as management tools. The task-oriented leaders focus on creating structure and systems in the team to make sure that the instructions are followed. They tend to leave the matter of culture aside and focus on how to get the job done. Each style, however, has both upside and downside.

Relationship-oriented leaders usually make their team members feel appreciated for the work they do. As a result, those who feel as an important part of the team's success will make more efforts to deliver the best outcome. On the other hand, this leadership style can come along with some troubles (Friedman 2013). Team members sometimes feel too many responsibilities without a clear guidance (Friedman 2013). Co-workers can be nice but the job is not yet done (Mäkilouko 2003, 74).

Task-oriented leaders usually have clear and easy-to-follow work schedules with specific requirements and deadlines. By doing this, the job always gets done regardless of cultures and time zones. The greatest advantage of this leadership style is to maintain the high standards and to optimize efficiency of the work (Friedman 2013). The downside of task orientation is that it can lead to a lack of flexibility and creativity in organizations (Mäkilouko 2003, 75). In addition, when leaders pay great attention to completing the job, they may unintentionally dismiss

their followers' needs. This is believed to create a negative impact on overall performance of the team when disappointment replaces motivation and commitment (Mäkilouko 2003, 75). Without being noticed, disadvantages can sometimes outweigh the benefits of task-oriented leadership style (Friedman 2013).

Interestingly, regardless of leadership styles, private talk seems to be the most favourable method used in Company X. It happens at least once a week in terms of face-to-face meeting, web conference, phone call meeting across different time zones and distance. By doing this, the leaders have better knowledge about their team members' expectations. More importantly, the team work is always under control.

Findings on multicultural leadership strategies

The results indicate that all interviewees perceived clearly the importance of cultural diversity in the organization and particularly in team work. Understanding the advantages and disadvantages that it brings to the organization is crucial for the leaders to build up multicultural strategies. A strategy shows the leader a direction which includes a set of actions to approach the target. Nevertheless, the answers about leadership strategy are mostly day-to-day operations and short-term tactics. The term "leadership strategy" is still unclear in cultural diversity management. Two out of the five interviewees believe that there is no need to have a certain strategy in their teams. Every different circumstance requires the leader to be flexible in solving problems. Applying one strategy does not make sense when there are frequent changes in human resource within the team. Moreover, conflicts rarely happen in some departments where tasks are accomplished routinely. With the help of Company X's internal communication channels, for instance, WebEx, chat forum, Outlook and Cisco telephone, misunderstandings are minimized and the team work is always under control. Other three interviewees believe that there is a need to have a strategy. It is because their multicultural teams require unanimous consent to approve group decisions. This motivates them to understand more their culturally different members, how they behave at work and what they expect towards the team work. However, as mentioned above, the respondents just answered the question of how to

handle cultural problems well. In order to address the issue of strategy, the leaders need to answer to the following questions: Where do they want to go? What do they want to be in the future?

The strategy was not well defined in the answers of the interviewees. Nonetheless, their tactics, tools and methods used in daily management can be recognized to fit some of the strategies defined by Mäkilouko (2003). Based on that, the author will give some suggestions for Company X's team leaders to improve their performances. Cultural synergy and cultural ethnocentrism are the most popular strategies used by the team leaders in Company X. Obviously, the synergistic leaders are more relationship-oriented, whereas the ethnocentric leaders prefer task orientation. Interestingly, there exists a possible combination in the way of using these strategies. The synergistic leaders still keep their eyes on teamwork by a detailed plan distributed via email or regular meetings. The ethnocentric leaders are also trying to be aware of and learn about other cultures. Neither cultural synergy nor cultural ethnocentrism always works in all cases. Thus, the team leaders have to know which strategy to apply and when to make a change.

6.2 Recommendations

After analyzing the data, the author wants to point out several things that help to improve multicultural performance in Company X. First, leadership style is an important factor to decide how efficiently a leader solves problems and which strategy is chosen. Therefore, the team leaders have to be aware more than anybody else of the style they want to obtain. There is no best leadership style in the universe. It only works if it is applied in the right place and at the right time. When the leaders understand clearly their team structure, locations, work characteristics, etc. they will be able to define which style is applicable. In addition, it is advisable not to keep one style all the time. The leaders need to take advantage of both leadership styles, adjust and make their own approaches.

Second, the author wants to discuss the two Mäkilouko's strategies which are applied in Company X: Cultural synergy and cultural ethnocentrism. Both strategies, as mentioned previously, do not work in all situations. Choosing a suitable strategy depends strongly on cultural knowledge, team design, cultural

diversity level, work requirements, and so forth. These are the variables that change from time to time. Thus, in order to choose a proper strategy, the team leaders need to understand where they are standing (including cultural knowledge and other multicultural competencies) and how their teams' current situation is.

Most synergistic leaders in Company X are doing well in building good relationships within their teams. However, they need to focus more on developing a shared way of working together. The team needs to have common agreement regarding team work such as what, how and when the work should be done; who to contact; which communication channels used, etc. In this case, the team leaders need to be active to search for new alternatives such as different ways to do the job, different communication channels, or different methods which meet all the members' agreement. However, in a very diverse team, the leader has to bear in mind that cultural synergy is more difficult to develop than ethnocentrism. Thus, the author believes that it is even better for the synergistic leader to have some ethnocentric attitudes so that he or she can avoid conflicts caused by too many different points of views.

Cultural ethnocentrism seems to be the easiest alternative strategy but quite limited in success (Mäkilouko 2003, 99). In this thesis, it is hard to compare the performance of both strategies in Company X due to the limited scope of the thesis. However, the author realized that the ethnocentric leaders in Company X are also performing very effectively. The only thing the ethnocentric leaders should notice is the motivation of developing multicultural competences. Ethnocentrism is often necessary at the starting point and works quite well as there is no confusion. Thus, the ethnocentric leaders tend to undervalue the importance of cultural differences in their teams and feel less motivated to learn about other cultures. Consequently, they are getting passive in changing or adjusting their styles to meet the needs of their teams. As discussed previously, one strategy does not work in all situations. It is necessary to change and develop a multicultural strategy at some point of time in the future. Therefore, the ethnocentric leaders always have to be aware of their multicultural competences. They need to improve knowledge and skills to prepare for a change from ethnocentrism to synergy and finally polycentrism. A suggestion for Company X is creating a multicultural competences self-assessment tool. The tool can be

developed based on a list of questionnaires evaluating attitudes, knowledge and practices regarding multicultural management. Based on the result, the tool would give some suggestions to develop incompetence on multicultural issues such as recommended development path, training sessions or relevant e-learning. Even though the learning process depends very much on each individual, the self-assessment tool is a good way to start.

Last but not least, since the demographic pattern in human resource is changing rapidly every year, not only the team leaders but also the whole company should obtain a clearer vision for development in the future. At the moment, most of the foreign employees in Company X come from Europe, where cultures are similar to each other. The trend, however, may not be the same in five or ten years. When there is a need to cover Asian markets, they will have more employees from China, India, Japan, Hong Kong, etc. The gap in cultures will be greater and challenges will be multiplied. Managing changes in human resource is not an easy task, and it is even more difficult in the context of culture. Thus, having a clearer direction in multicultural management helps the company prepare well for the future changes and deliver the expected outcomes.

In order to end the chapter, all the suggestions above are summarized in the table below:

TABLE 5. Suggestions for the Case Company

Matters	Suggestions
Leadership styles	The team leaders should know how to combine the advantages of relationship-oriented style and task-oriented style, adjust and make their own approaches
Synergistic leaders	The synergistic leaders should pay more attention to build up shared way of working together in their teams.

	Furthermore, they need to have the ethnocentric attitude sometimes since the team is extremely diverse.
Ethnocentric leaders	The ethnocentric leaders need to be motivated to improve their multicultural competences such as cultural intelligence and cross-cultural communication. By doing this, they can develop the multicultural strategy from ethnocentrism to synergy, and ultimately polycentrism. Furthermore, it helps them to prepare well for dealing with unusual circumstances.
Company X	It is suggested to create a tool which helps team leaders to evaluate their multicultural competences. The tools can be designed as a set of questionnaires regarding multicultural management. Based on the results, relevant training sessions or e-learning are suggested.
Company X	In the future, the company will be likely to face the greater gap between Western culture and Asian culture. Thus, obtaining a clearer vision for multicultural development is the key to gain competitive advantages for the company.

7 CONCLUSION

Based on what has been found out and analyzed in the two previous chapters, the author is now able to give answers for three sub-questions and the research question. The answers will be then evaluated in terms of reliability and validity. Last but not least, understanding the limitation of this thesis, the author will give some suggestions for future research.

7.1 Answers for Research Questions

1. How do Company X's team leaders perceive the importance of cultural diversity in the organization?

The team leaders in Company X are all highly aware of cultural diversity's impact (beneficial and challenging) on their teams. Apparently, cultural diversity brings a variety of languages, knowledge, creativity and innovation to the organization. On the other hand, the team leaders have to address the issue of different expectations, behavior, communication styles which may cause the confusion among the team members. Cultural diversity is seriously considered in management by not only the team leaders and but also the whole company. Also, there are many cultural events and training sessions organized within Company X.

2. Which tools and methods are used by Company X's team leaders to manage cultural diversity?

The knowledge of different cultures and language skill are the most common tools used by Company X's team leaders. In addition, technology is seen as the effective tools for communication and controlling team work. Therefore, technological competence is the first thing to be trained at Company X. Regarding the management methods, each team leader has different ways to manage multiculturalism. Some try to connect their team members and enhance team spirit by organizing team building, team outing and other activities. Some prefer private talks and regular meetings to better understand their followers. Some choose to solve the problem base on experiences and circumstances.

3. How do they solve the cultural problems and prevent them from happening in the future?

There are two different ways used to solve conflicts. The task-oriented leaders choose to ignore the cultural differences and focus on individuals' personalities. They try to find what the problem is and whose responsibility is. Everything is judged based on rules and plans which have been determined in advance. In order to prevent the conflicts from happening again, they create system, detailed plan and control team work all the time. The other way to solve conflicts is to resolve the problems of cultural differences. This is the preferable solution of the relationship-oriented leaders. They choose to have private talks in order to understand individuals' expectations. Then they can find a solution which satisfies everybody. In order to prevent the conflicts from happening in the future, they try to get to know different cultures in their teams. By doing this, they can find the similarities among team members and set up unanimous rules towards the team work.

Which multicultural leadership strategies are used to manage international teams in Company X?

Cultural ethnocentrism and cultural synergy strategies are the most used in Company X. Cultural ethnocentric leaders in the company prefer task orientation. Meanwhile, cultural synergistic leaders are often relationship-oriented. In cultural ethnocentrism, the leader uses rational approach to issues regardless of cultures. He or she makes sure the team work is followed as planned and always under control. On the contrary, the synergistic leader solves the problems of differences among the team members and concentrates on creating the cohesion within the team.

7.2 Reliability and Validity

A good qualitative study ensures the reliability of data collected and validity of the findings. In other words, reliability examines whether data collection techniques or analysis procedures will lead to consistent findings. Validity is

concerned with the correct correlation between findings and conclusion. (Saunders et al. 2009, 156-157.)

First of all, the interviewees were chosen among Company X's team leaders who had outstanding experiences in managing cultural diversity. Their answers are therefore highly valuable to the findings. We have to bear in mind that Company X is a big corporation where all internal information has to be reviewed before being published. In order to acquire trustworthy answers, the author had to promise not to publish the information of the company as well as all interviewees. This created freedom for the interviewees to express and share their points of view. The reliability of this thesis is therefore assured.

The findings of this thesis were based on the subjective view points of the interviewees. Furthermore, in order to analyze the data collected, the author included her own observations during the short time working in the case company. Management styles or day-to-day operations always vary depending on different leaders and organizations. Thus, this thesis is only specifically valid for the case company, not for other cases. However, the findings of this thesis can be used as future reference for further research on developing multicultural strategies in MNCs.

7.3 Suggestions for Further Research

Ideas for future research in this field were raised during the research process. Multiculturalism is a familiar topic in MNCs and further research on it could be done from different perspectives. In order to make the topic objective, the research could be done with employees. This would help the researcher have a deeper look on how the employees feel the multicultural environment in their teams? Do they feel satisfied with the leadership styles of their team leaders? Which strategies do they feel effective?

Second, the research could be done not only on the individual level but also on the organizational level. Individual's behaviors and attitudes are strongly linked to the organizational culture. Thus, research on the organizational culture would be an essence in the future. The author also suggests conducting a study to examine

whether it is crucial for MNCs to obtain a general multicultural strategy. The author believes that multicultural leadership strategies by Mäkilouko (2003) are hardly applied to corporation level, on the other words, human resource management level. Thus, if there was a need to have a multicultural strategy on the corporate level, what would it be?

The author wants to raise the readers' interest in multicultural issues in MNCs. This research leaves open discussion about having multicultural strategies in multicultural teams. There were two different perspectives on this topic. Some stated that there was a need to have a multicultural strategy. Meanwhile, others believed that it was not necessary. Foremost, the author would like to point out the importance of cultural diversity and its challenges that organizations might have to deal with. Thus, the leaders should be aware of the existing cultural differences in their teams or a fail in management is likely to happen.

8 SUMMARY

This thesis discusses one of the biggest concerns in management field of MNCs - multiculturalism, or so-called cultural diversity. In the era of globalization, leaders need to have a clear vision and defined direction to manage the differences in the organizations. Thus, the thesis aims at discovering multicultural strategies used by the team leaders in Company. Based on the findings, the author gives some suggestions for improving multicultural performance in the company.

The research was conducted by using deductive approach and qualitative research method. Particularly, secondary data was collected from reliable sources such as published books, articles and other relevant electronic resources. On the other hand, the collection of primary data was completed by personal observations and interviews with the company's team leaders.

With the purpose of helping the readers understand multicultural leadership strategies clearly, all relevant concepts are clarified in Chapter 2. Culture is defined mainly based on Hofstede's theory and cultural diversity is defined according to Gardenswartz & Rowe (1994)'s model. However, the most important theoretical part in this thesis is the three practical multicultural strategies defined by Mäkilouko (2003). They are cultural ethnocentrism, cultural synergy and cultural polycentrism. The literature is then applied in the empirical part to examine the strategies used in Company X.

In order to successfully manage international teams, apart from managerial competences, leaders need to improve their multicultural competences as well. Chapter 3 introduces two important cross-cultural competences: Cultural Intelligence (CQ) and Cross-cultural Communication. Furthermore, three principal strategies for developing those competences are included.

In Chapter 4, the information regarding the case company is provided. Chapter 5 then revealed the expected empirical result that there are two main strategies used by the team leaders in Company X: cultural ethnocentrism and cultural synergy. Based on the findings and analysis, Chapter 6 presents some recommendations for improving the multicultural performance in the company.

In conclusion, the author gives the answers to all the research questions stated in Chapter 1. The thesis is evaluated in terms of reliability and validity. Last but not least, the author suggests a deeper study on employees' thinking about multicultural environment in the company. Additionally, a study on the organizational level should be done as well. By doing that, the limitations in this thesis would be eliminated and further findings on a larger scale would be produced.

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APPENDICES

APPENDIX 1. Thesis Interview Invitation Letter

Dear Sir/Madam,

My name is Yen. I am currently an intern working at ABC team in company X. I am writing my bachelor thesis about leadership strategies in multicultural working environment. Company X in Poland is included as a case for the empirical part. That is why hearing your opinion about leadership experiences on the subject is important for the study. The questions are based on the strategies found in literature and will help me to find out which leadership style mostly applied by managers/team leaders. After getting the permission of our company, I would like to invite you to a short face-to-face interview (around 15-20 minutes).

Attached you will find the interview questions, so that you can read them beforehand. I am aware that your schedule is tight, and I would highly appreciate if you can find a few times to help me complete my thesis by taking part in this short interview.

Thank you!

Regards,

Yen

Attachment 1

Interview questionnaire

Attachement 2

Likert scale questionnaire

APPENDIX 2. Interview questions with team leaders

1. Background questions

1.1 What is your position title? How many employees are you managing now?
How many of them are foreigners?

1.2 Before Company X, have you ever experienced in working with people from other countries? Could you please describe it?

2. Perspectives on Multiculturalism

2.1 Do you think managing a multicultural team more challenging than a homogenous team?

2.2 What is the most challenges and how does it affect the team work?

2.2 What do you think about the benefits that multiculturalism brings to your team and the company?

3. Multicultural tools and management method

3.1 How can you solve cultural conflicts in your team?

3.2 What kind of tools and methods do you use to manage multiculturalism?

3.3 As a leader, do you have a strategy to manage the cultural differences in your team?

3.4 If yes, how is it implemented in everyday management?

APPENDIX 3. Likert scale questionnaire

Please read through the following questions and answer according to the scale

1-Totally disagree

2-Disagree

3-Neutral (neither agree nor disagree)

4-Agree

5-Totally agree

1. I always try to understand my foreign team member in terms of his/her cultural background

1 2 3 4 5

2. It is important to acquire knowledge of all cultures in my team

1 2 3 4 5

3. A team works well if people trust each other

1 2 3 4 5

4. I adjust my style towards culturally different team members

1 2 3 4 5

5. It is a waste of time to supervise and control team work all the time

1 2 3 4 5

6. Sometimes I delegate the authority to some team member

1 2 3 4 5

7. Changing team member is sometime necessary to form an effective team

1 2 3 4 5

APPENDIX 4. Interview question with Ms. P.

Email sent: 15 January 2015

Reply received: 20 January 2015

- Background information about Company X in
- How many foreigners in the company?
- What are the activities regarding cultural diversity in the company?

APPENDIX 5. Interview question with Ms. H.

Email sent: 15 January 2015

Reply received: 10 February 2015

- Multicultural training sessions in the company?
- How are they organized?